



February 14, 2020

VIA ELECTRONIC FILING

The Honorable Jocelyn Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Request of Lakeview Retirement Community LLC for Exception to
Commission Regulation 103-327(A);
Docket No. 2020-61-E

Dear Ms. Boyd:

By filing dated February 13, 2020, Lakeview Retirement Community LLC ("Lakeview") requested an exception to the individual metering requirement set forth in Public Service Commission of South Carolina ("Commission") Regulation 103-327(A) for its residential facility at the corner of Bush River Road and Lake Murray Boulevard ("Lakeview Facility"). By this letter, DESC hereby informs the Commission that DESC objects to the request for an exception to the individual metering requirement set forth in Regulation 103-327(A) and does not agree that the individual metering requirement is impractical and unreasonable for the Lakeview Facility.

In support of its objection, DESC asserts that it individually meters similar multi-unit residential facilities throughout its service territory. Moreover, in conversations with Lakeview, Lakeview represented that it was required to install individual meters for a similar development in another state. As such, DESC submits that individual metering at the Lakeview Facility is neither impractical nor unreasonable.

Moreover, from a matter of energy policy, individual metering of residential units encourages the Lakeview Facility residents to practice energy efficiency, whereas a single master meter for the entire facility does not. If individual units are metered separately, the residents are rewarded for any steps they take to limit their energy usage. Conversely, under Lakeview's proposal to master meter the entire facility and charge residents a flat monthly rental rate that includes electric utilities, residents are not incentivized to take any steps to save energy. Those who use more energy do not pay more, and those who use less do not pay less; they each pay the same monthly rate.

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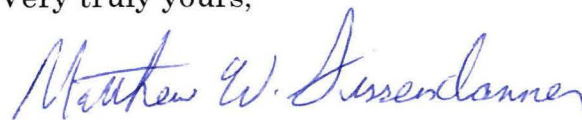
Finally, individual metering of residential facilities also prevents the possibility of illegal submetering, in which other “master metered” customers have improperly engaged and for which the South Carolina Office of Regulatory has requested rules to show cause why the customer should not be regulated as a public utility. Although Lakeview has represented to the Commission that it plans to master meter the entire facility and charge residents a flat monthly rental rate to include electric utilities, DESC informs the Commission that Lakeview has submitted plans to DESC for the Lakeview Facility showing not only a master meter but also submeters for individual residential units. To the extent that Lakeview intends to submeter the individual units at the Lakeview Facility and separately bill residents for electric service, such an arrangement is an impermissible resale of electricity without Commission authorization. For purposes of S.C. Code Ann. § 58-27-10(7), where an electrical utility’s customer takes electric service from the electrical utility, makes further delivery of the electricity to an ultimate consumer, and separately meters and bills the ultimate consumer for that electric service, the electric current has been resold, regardless of whether the electrical utility’s customer makes a profit on the resale to the ultimate consumer. And, in this scenario, the electric utility’s customer would itself meet the definition of an “electrical utility” in S.C. Code Ann. § 58-27-10(7).

For the reasons stated herein, DESC objects to Lakeview’s request for a waiver of the individual metering requirement set forth in Commission Regulation 103-327(A) and asks that it be denied.

By copy of this letter, DESC is also informing Lakeview and the South Carolina Office of Regulatory Staff of its objection.

Thank you for your consideration of this matter. If you have any questions, please do not hesitate to contact us.

Very truly yours,



Matthew W. Gissendanner

MWG/kms

cc: Sara Pendarvis Bazemore, Esquire
Jeffrey M. Nelson, Esquire
Dawn Hipp
(all via electronic mail and U.S. First Class mail)